



Subject: CAO 23-08 New Town Hall Project

Report Number: CAO 23-08

Department: Office of the CAO

Submitted by: Laura Pickersgill, Executive Assistant; Renato Pullia, Director of Innovation & Strategic Initiatives; Kyle Pratt, Chief Administrative Officer

Meeting Type: Council Meeting

Meeting Date: Monday, July 17, 2023

RECOMMENDATION

- A. THAT report titled CAO 23-08 New Town Hall Project be received as information;
- B. AND THAT staff be directed to transfer the savings realized from the 2022 and 2023 reduced rent payment at the Corporate Office for the unusable space due to the mould remediation to the Facilities Capital Reserve, to be earmarked for the capital costs of the new Town Hall;
- C. AND THAT staff be directed to transfer the Town Hall unused funds from 2020 of \$25,000 from the Tax Rate Stabilization Reserve to the Facilities Capital Reserve, to be earmarked for the capital costs of the new Town Hall;
- D. AND FURTHER THAT staff be directed to maintain the same 2023 budget for rent for the Corporate Office for 2024, 2025 and 2026 and transfer any unspent amount in the aforementioned years to the Facilities Capital Reserve, to be earmarked for the capital costs of the new Town Hall.

BACKGROUND

The consolidated Town Hall project has been underway since 2015. In 2015, a Town Hall Steering Committee was established to review options for a new Town Hall. In 2016, a space needs study was conducted to assess the square footage requirements. At the December 9, 2019 Council meeting the following resolution was passed:

THAT Report CAO 19-14 Town Hall Recommended Option- Town Hall Steering Committee be received;

AND THAT given that the quotes have come in well in excess of the benchmark and will create a negative impact on future budgets, that Council reject all proposals for the Design, Build/Lease of a new Town Hall and terminate the current RFP process;

AND THAT staff report back in February with recommendations on how to proceed with consideration of a complete set of options on how to proceed

towards new corporate space for the Town of Tillsonburg with lower costs to the Town.

In 2020, the Town Hall Steering Committee was reconvened to bring forward a report that compared the Design, Build and Own option(s) and expansion of the current Town Centre Mall space through either a lease or ownership option to the status quo option.

In 2021, as a result of the pandemic and the shift to remote work options it was determined that an updated space needs study from the original study done in 2016 would be beneficial to understand how much space would actually be needed in a new Town Hall with a hybrid work model. The updated space needs study, attached as Appendix A, recommends that the next steps to advance the project would include a detailed evaluation of the preferred site or sites followed by a detailed design and tender of the proposed design.

On February 28, 2022 the following resolution was passed:

THAT Council receives report CAO 22-01 Town Hall Steering Committee Recommendation;

AND THAT Council endorses the Town Hall Steering Committees recommendation regarding Option C - Greyfield Site - located at the corner of Brock and Harvey Street at the "Maximum" square footage scenario to enable future growth and expansion;

AND THAT staff be directed to move forward with this option.

On June 16, 2022 the following resolution was passed:

THAT Council direct staff to proceed with an Environmental Site Assessment of the new construction "Greyfield" Option Site in the Harvey and Brock Street Municipal Parking lots to determine the extent of environmental contamination, if any, and potential for any remediation costs.

Following this, environmental site assessments were conducted.

On April 6, 2023, the newly elected Council held a Priority Setting Meeting. At this meeting the following resolution was passed:

THAT staff be directed to focus planning efforts on the consolidated new Town Hall as an expansion to the Customer Service Centre (CSC), 10 Lisgar Avenue, and report to Council on plans, timelines, impacts and other synergies for the CSC location.

DISCUSSION

Given this latest direction, staff are developing a project task list to provide comprehensive steps for moving forward. The current direction would seek to have the existing bays at the CSC demolished with a build up from there for the additional office space. This would mean that Tillsonburg Hydro Inc. and Water/Wastewater operations would be required to move from the CSC into another space. The attached Appendix B looked at the feasibility of consolidating Roads, Fleet, Hydro, Water/Wastewater, and Parks staff into one Operations Centre, whether at the current Spruce St location, or a new location. Staff are reviewing all of the previous completed studies, plus assessing current and future needs, and will evaluate solutions that meet the long-term needs of the Town. These recommendations will be included with the next update report to Council for consideration.

As Council is aware, staff are relocating the corporate office for a period of three years to two temporary locations at 51 and 55 Brock Street. The plan for these leases is that the Town remains there for a maximum of three years (with renewal options available for 55 Brock Street, should there be delays in construction of a new town hall, but also with a 120-day termination clause for year three onwards).

Staff will be bringing the next report that will include the proposed task list and will seek further Council direction to proceed with the design phase tendering.

CONSULTATION

Senior Leadership Team, Management Team

FINANCIAL IMPACT/FUNDING SOURCE

In the 2023 budget, there is \$300,000 allocated for the New Town Hall Project, funded from the Tax Rate Stabilization Reserve for the development of design and tender documents. There will be additional funds of approximately \$65K for 2022 and \$55K for 2023 coming available and recommended to be transferred to the Facilities Capital Reserve. These are a result of savings established from the reduced rent payment at the Corporate Office for the unusable space due to the mould issue. The additional funds for 2022 are recommended to be transferred to the reserve along with early direction to earmark the 2023 amount as included in this report's recommendation. Both amounts are subject to year-end lease reconciliation for the common area costs.

In addition to what is covered in this report's Discussion section, the Recommendation also includes direction to keep the same rent budget as in 2023 and transfer the rent savings for 2024, 2025 and 2026 to the Facilities Capital Reserve and be reinvested towards the capital costs of the new Town Hall. Additionally, there is \$25K in the Tax Rate Stabilization Reserve from 2020 Town Hall unused funds that are being

recommended to also be transferred to the Facilities Capital Reserve and be earmarked for the capital costs of the new Town Hall.

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives.

Strategic Direction – Position Tillsonburg as a leader in the municipal sector.

Priority Project – *Immediate Term* - Consolidated Town Hall initiative

ATTACHMENTS

Appendix A – 2021 Space Needs Study- Fabrik Architects

Appendix B – 2021 Feasibility Study- Operations Centre